

The Recently Deceased Account Settlement Guidebook

*Things to Consider in the
Event of Losing a Loved One*



HERITAGE
Financial Credit Union



The Heritage Investment & Retirement Services program is offered through CUNA Brokerage Services, Inc.*, a broker/dealer focused on serving credit union members.

Need advice about what to do with the disposition of accounts/assets?

The passing of a loved one is a difficult thing to handle. There are many things to do and consider if you are the person bearing the responsibility of managing the estate. Heritage Investment & Retirement Services can help you find your way through an emotional and often confusing time.

This service is one of many that are offered at Heritage Financial Credit Union.

Along with making funeral arrangements, there is most likely paperwork that is required to be completed from various places. This could include the deceased's other financial institutions, workplace, insurance companies, and/or government agencies.

Paperwork from these sources can often be complicated, confusing and overwhelming at this time. By working with Heritage Investment & Retirement Services, you can save yourself time and potential costly errors of penalties or taxes.

Call Heritage Investment and Retirements Services at 845-561-5607 to set up a no-cost, no-obligation appointment.
You can also visit them online at www.heritagefcu.com/hirs.



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Coping with the loss of a loved one is a very difficult and overwhelming time. This booklet has been created to help guide you through the account settlement process. Once the Credit Union has received a deceased member notification, we will review the account and documentation provided then contact the notifier. The following information will be helpful when contacting us for account settlement:

1. Certified copy of the death certificate (required)
2. Photo ID (required for claimants and/or estate representatives)
3. Deceased member's account number(s)
4. Any applicable court papers; e.g. Letters of Testamentary, Certificate of Voluntary Administration, Small Estate Affidavit (The Credit Union cannot accept wills)

The contents of this pamphlet are for informational purposes only. The Credit Union cannot provide legal counsel or advice. If you are the executor/executrix or the administrator of the estate; please consult with an attorney, financial advisor or probate court official for specific concerns/questions regarding your responsibilities, the probate process or estate settlement.

Call us at 845-561-5607 or visit your local branch.
<http://www.heritagefcu.com>

Helpful Terms

Administrator: Person the Surrogate's Court appoints to handle the property of the decedent who dies without a will (or without a will being probated).

Executor: A person Surrogate's Court appoints to handle the property of the decedent after the will has been probated. Usually the decedent names the executor in the will.

What is the first step in settling the account of a deceased member?

Come in to any branch or call our Member Solutions Center at 845-561-5607 and let us know of the member's passing.

In order for Heritage Financial Credit Union to give you information on the deceased member's account, you must either be:

- a joint member on the account
- the beneficiary of the account
- the executor/executrix of the estate
- the voluntary administrator

Please be advised that the credit union cannot accept a will. We can accept Letters of Testamentary or a Certificate of Voluntary Administration. Either of these two documents can be obtained from the local surrogates court. The court would direct you as to what documents you would need to bring to them in order to obtain one of these items.

Also be advised the Power of Attorney agent status is null and void once a member passes away. Heritage Financial Credit Union staff cannot speak with an individual who is named Power of Attorney on an account (unless they are also a joint member of the account). Hudson Heritage staff can only speak to the Power of Attorney if we need to obtain information about the deceased member or to accept documents.

Helpful Terms

Voluntary Administrator: Person the Surrogate's Court appoints to handle the property of the decedent who dies without a will (or without a will being probated).

Letters of Testamentary: A legal instrument issued by the Surrogate's Court authorizing an Executor, Administrator, or Voluntary Administrator to take control of and dispose of the estate of a deceased person.

What documents are needed to begin settling the deceased member's account?

• Original, certified copies of the death certificate - copies are not accepted. If mailed in, please use the following address:

Heritage Financial Credit Union
Compliance Department
25 Rykowski Lane
Middletown, NY 10940

• Original death certificates will be returned via mail

If I am the primary account owner and the joint owner has passed away, do I have to close the account?

No, if either the primary on a joint account or a joint owner passes away, the account can remain open. A joint owner will become the primary owner at the deceased passing.

Once the death certificate is received and all credit union requirements have been satisfied, the deceased member may be removed from the account.

How long will the deceased member's account remain open?

The account should be settled quickly to avoid possible end of the year tax reporting complications.

After five years, the funds (account) will be turned over to the state as Unclaimed Funds.

Helpful Terms

Certified/Original Death Certificate: An official government certificate on security paper with a raised certification seal is required for insurance collection purposes.

Probate: The official proving of a will.

Intestate: A person who has died without having made a will.

If I am the beneficiary on the account, how can I withdraw the funds or take ownership of the account?

If you are the beneficiary of the account, once the account is settled and all credit union requirements have been satisfied, you may close the account and withdraw the funds.

Will I be able to access the information on the account(s)?

Yes, I am the executor/executrix/administrator of the estate once the death certificate and court documentation stating that you are the personal representative, executor or administrator has been provided.

The deceased member's account has a direct deposit set up. What will happen to the funds?

Government deposits: Financial institutions are required to return funds deposited by government agencies after the date of death; i.e Social Security, Veteran's Administration benefits, Retirements and Pensions.

Other deposits: Any agency or entity that is depositing funds into the account should be notified as soon as possible. Please see the Resources page of this guide for further information. Any and all employers who are paying out retirement or pension benefits should also be notified as well.

How do I find out if the deceased member had insurance on their account or a loan, or if funds will be returned, with the Credit Union?

Information on the account can only be disclosed to a joint owner, executor/executrix, or administrator with proper documentation and photo ID.

What happens to Individual Retirement Accounts?

Upon receipt of the death certificate for the deceased owner of an Individual Retirement Account (IRA), the Credit Union will begin the IRA death claim process.

The beneficiary will be contacted by Ascensus, our retirement services provider. The beneficiary will have to fill out a form and mail it back. Once Ascensus receives this form, they will instruct HFCU on how to disburse the funds.

How are funds disbursed to beneficiaries listed on Payable on Death accounts?

Payable on Death accounts have beneficiaries designated to them on the Membership Agreement.

If there is a sole signer on the account it is the beneficiary's responsibility to contact the Credit Union to claim the funds.

If there is a joint owner, this person is entitled to the funds by right of survivorship.

How are Trust Accounts handled?

Management of Trust Accounts and disbursement of funds are handled in accordance with the legal trust documents.

How are Money Market Shares and Certificate Shares handled?

Money Market accounts are handled the same as any other deposit account. They are handled in accordance with the Member Service Agreement, account ownership, POD designation, estate or trust as applicable.

Whom do I contact if the deceased member has investment accounts?

Please contact the Heritage Investment Services Financial Professional (see page 2).

If the loan(s) were solely in the deceased member's name, who is responsible for them?

After the review of the deceased member's consumer loans(s), any voluntary payment protection proceeds will be applied to the outstanding balance. In addition, balances in the deceased member's deposit accounts may be applied to the outstanding loan balance. Any loan balance outstanding becomes the responsibility of the surviving borrower(s) or the deceased member's estate to repay. The estate must directly pay off remaining loan balances or provide the Credit Union with the necessary documentation to properly file a creditor's claim against the estate. The Credit Union will determine if the member had payment protection (known as Credit Life & Disability) and will submit a claim with the insurance company if necessary. The estate is responsible for paying any outstanding loan balances. If there is an executor/executrix/administrator appointed to handle the estate, he/she will be responsible for ensuring that the loans are paid in full. If the estate is insolvent, and/or there is no joint borrower, please contact the Credit Union for further options. If the estate is unable to resolve the loan obligation the estate may surrender the collateral to the Credit Union.

If there is a joint owner/borrower, is he/she now responsible for the loans?

In the instance where there is a joint borrower, and the deceased primary member passes away, the Credit Union will make a determination if a Credit Life & Disability claim can be filed. If the answer is no, then the joint owner/borrower will need to apply for a loan to transfer the balance and the collateral into their name. This would be the same process should the joint borrower pass away.

Can the Credit Union use the funds in any of the deceased member's savings or checking shares to repay the loans?

Yes, by law, credit unions have the right to the funds (called a Statutory Lien) in any account in which the decedent was an account holder on and may use those funds toward repayment of the loans the decedent held. Accounts that are made up of protected funds (Social Security funds, Veteran's benefits, Federal Railroad retirement unemployment and sickness benefits, and Civil Service Retirement System and Federal Employee Retirement System benefits) cannot be offset to pay the loan(s).

Can the loan collateral (e.g., a vehicle) be given to another person?

Re-assignment or transference of loans and their collateral to a person who is not a joint borrower is not permitted unless the interested party applies and is approved for a loan transferring the existing loan balance into their name. Executors/Executrices/Administrators cannot grant a security interest in, transfer, or assign any loan collateral to anyone other than the Credit Union without our written consent.

I am the co-borrower/cardholder on the deceased member's VISA account. What are the next steps?

There are two choices: you can either close the credit line or request to transfer it to your Credit Union account. Please note that you are responsible for repaying any outstanding balances and transferred credit lines may have a lower credit limit than the previous joint credit line.

What should I do with the deceased member's VISA credit card if he/she was the sole borrower?

Please destroy the card or return it to the Credit Union where it will be shredded for you. The credit line will be closed and the plastic card linked to the deceased member's account will be deactivated.

If I am an authorized card user on the deceased member's account, am I responsible for repaying the balance? Can I still use the card?

Authorized users are not liable for the outstanding balance, nor can they continue to access the credit line. Please destroy the card or return it to the Credit Union for shredding.

What if there is Payment Protection on the loan or VISA card? Should I continue to make payments?

Please continue to make at least the minimum payments as the benefits and outstanding liabilities are determined. A claim will need to be filed to make these determinations and we can assist you with this. Please note that interest will continue to accrue until the balance is paid in full. Any excess of funds paid from the claim will be deposited into the savings account.

What is probate?

Probate is the legal process through which a deceased person's will is properly validated. It identifies the property, pays any debts and taxes that are outstanding and distributes the assets. The court will use the will to determine who the representative of the estate is. If there was no will, the court will appoint the next of kin as the representative of the estate.

What do I do if the deceased did not have a will?

In New York State, it is up to the Surrogate's Court to determine what happens to a person's property when that person passes away. When a person dies and leaves a Will, it is said that the person died testate. When a person dies without leaving a will, they have died intestate.

Please access the following website for further information:
<https://www.nycourts.gov/CourtHelp/WhenSomeoneDies/Index.shtml>

What should be done if automatic payments are being taken from the affected accounts?

Please notify the creditors/payees that are debiting the accounts and advise them of your loved one's passing and that the automatic withdrawal/deposit should be stopped.

Can I deposit checks made payable to the deceased if they are dated after the member passed away?

Checks made payable to the member or the member AND someone else cannot be deposited into the deceased member's account or a joint account. The checks must be re-issued by the maker and made payable to either solely the joint member or "The Estate of" Checks made payable to the Estate must be deposited into an Estate Account. The Estate account may be opened at the credit union or any other financial institution.

I have been appointed as the Executor/Executrix/Administrator of the account. I need to establish an estate account. How do I go about doing this?

To establish an estate account:

- Apply to the IRS for a taxpayer ID number (EIN) in the estate's name
- Applications can be made online through the IRS website: <http://sa.www4.irs.gov> An estate account may be established at the Credit Union or another financial institution of your choice.

Please check with the other institution if they offer these types of accounts. If you choose to open the account at the Credit Union, bring the EIN form to any branch and branch staff will assist you with this process.

How do I access the Safe Deposit box of a deceased member?

Many times, a deceased member may have placed their will in a safe deposit box and the family will need access to the box in order to retrieve it. If there are additional signers on the box, that person may access the contents of the box. If there are no other authorized signers, the representative of the estate will need to petition the surrogate's court for access to the box.

For members in NY, the court form that is needed can be accessed here: <https://www.nycourts.gov/LegacyPDFS/FORMS/surrogates/pdfs/petsafedeposit.pdf>

For members in other states, please contact your local surrogate court for more information.

Helpful Terms

Fiduciary: A person to whom property or power is entrusted for the benefit of another typically, the Executor, Administrator, or Voluntary Administrator.

Estate: The property or possessions of a deceased person.

Estate Account: An account opened by a fiduciary that holds all monetary assets of the decedent.

State Resources

New York Department of Vital Statistics
(Certified copies of death certificate)
(855) 322-1022
https://www.health.ny.gov/vital_records/

New York State Courts
<https://www.nycourts.gov/>

Federal Resources

Social Security Administration
(800) 722-1213
www.ssa.gov

Internal Revenue Service
(Obtain an EIN/tax assistance)
(800) 829-1040
www.irs.gov

Military Resources

Department of Veterans Affairs
For settlement of veteran insurance programs such as SGLI, VGLI, USGLI, or DIC. Ask about benefits for the surviving spouse and eligible children. Survivor, beneficiary and burial benefits.
(800)827-1000
www.va.gov

Office of Personnel Management:
To report the death and check on benefits if the deceased member was retired Civil Service employee
(888) 767-6738
www.opm.gov

NY State Department of Veterans Affairs
(888) 838-7697
<https://veterans.ny.gov/>

To request DD214 military record form:
(866) 272-6272
www.archives.gov

Defense Finance & Accounting Service:

For settlement of military retired pay and to start the application process for survivor annuity benefits such as RSFPP, SBP, RCSBP and SSBP.
(800) 321-1080
www.dfas.mil

Tragedy Assistance Program for Survivors:

Provides a support network for the surviving families of those who have died in service to America.
(800) 959-TAPS
www.taps.org

Military OneSource

For military and family support services, information and links to the Red Cross and other military emergency resources.
(800) 342-9647
www.militaryonesource.com

We offer you our services. After a loved one passes away, the many details that need to be handled can be overwhelming. Our checklist can assist you in gathering all the information that is needed for the Credit Union, as well as other agencies and organizations.

- ☐ **Talk to a financial professional.**
This is a time to review your own life insurance and financial needs – including your will. Make sure that ownership and beneficiary designations are current. See page 1 for Credit Union Investment Services contact information.

- ☐ **Contact insurance companies.**
Insurance companies will need to be notified of the individual's passing. These companies can include:
- a) Life Insurance
 - b) Property and Casually Insurance
 - c) Health Insurance

- ☐ **Contact a lawyer.**
More complicated estates may require legal counsel.

- ☐ **Locate the will and begin probate procedures where applicable.**
This is also a good time to check for any established trust accounts, as these are handled differently than regular savings and/or checking accounts.

- ☐ **Call the Social Security Administration.**
Inform the Social Security Administration to stop Social Security payments, if any. Surviving spouses and dependent children may also be eligible for survivor benefits.
(800) 772-1213
www.ssa.gov

- ☐ **Contact creditors.**
The death will need to also be reported to all creditors and to check for credit life insurance or accidental life insurance benefits. These creditors may include:
- a) Home/Real Estate Loans
 - b) Auto Loan
 - c) Credit Cards

- ☐ **Review Savings and Checking Accounts.**
This is to check if there are any automatic payments or deposits that need to be discontinued.

- ☐ **Contact all other financial institutions.**
You will want to notify all financial institutions of the member's passing to begin the process of account settlement and to check for insurance coverage on loans, investments and IRAs. This is also to prevent identity theft. Criminals often scour obituaries and will use the information of the deceased individual for fraudulent purposes.

- ☐ **Gather personal information.**
To report the death and handle business transactions, you will need:

- a) Social Security numbers for the deceased member, the surviving spouse and dependent children.
- b) The deceased member's full name.
- c) Date and cause of death.
- d) A copy of the marriage certificate.
- e) Copies of birth certificates for any dependent children.

- ☐ **Contact current and former employers.**
You will want to contact the decedent's employer and former employers as soon as possible to report the death and to check for potential benefits such as group insurance, life insurance, a pension and other benefits.

- ☐ **Contact the utilities.**
Providers of utilities for the deceased member's home will need to move payments to another account or be discontinued if the deceased lived alone.

- ☐ **Purchase Death Certificates.**
Request several certified or original death certificates. You may need several depending on the extent of the deceased member's assets, loans, business and military affiliations. Many agencies and organizations will not accept copies. It also may be more cost effective to order all the certificates at once. Check with your funeral director for assistance.

Remember: You may need to make financial decisions regarding joint accounts, titles, deeds to vehicles/real estate, and retirement and investment accounts. Please contact a tax or financial professional before taking action. It is possible that there may be tax implications with ownership changes and asset transfers.



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